

ITEM #12
QUESTIONNAIRE

Directions: Each "Yes" or "No" question is to be answered by marking an "X" in the appropriate space. Other answers and additional explanations or details may be provided in writing attached to the affidavit. The affiant should be an executive officer who knows the facts. Please complete this form and file it with the company's application for a certificate of authority.

Answer All Questions Unless Specifically Denoted "Not Applicable" (N/A)

I, _____, first being duly sworn do depose and say that this affidavit
(Name of Affiant)
is made and offered in support of the application for _____

of _____
(Name of Applicant) (City and State of domiciliary office)

that I am an executive officer of the applicant; that I have read the questions and answers herein, and that the answers given are true of my own knowledge, except as to those alleged on information and belief, and as to those I believe the answers to be true.

1. ___ I hold the position(s) of _____
 with the applicant.
2. ___ Has the applicant transferred or encumbered a substantial portion of its assets or business, or merged or consolidated with any other company within the last five years? Yes ___ No __. Has the applicant ever changed its name?
 Yes___ No __ If so, copies of the instruments effecting such transaction certified by Secretary over corporate seal as a true copy of the originals, including any official state regulatory approvals and filing data attached.
3. ___ Is applicant presently negotiating for or inviting negotiations for any transaction described last above?
 Yes ___ No __.
4. ___ Has the applicant undergone a change of management or control since the date of its latest annual statement filed in support of this application?
 Yes ___ No __. Does the applicant contemplate a change in management or any transaction which would normally result in a change of management within the reasonably foreseeable future? Yes ___ No __. If the answer to either question is affirmative, a detailed explanation is attached and made a part hereof.
5. ___ Is applicant owned or controlled by a holding corporation? Yes ___ No __. If so, an affidavit by an executive officer of the applicant who knows the facts listing the principal owners (10% or more of the outstanding shares) of such holding corporation by name and residence address, business occupation and business affiliations is attached and made a part hereof. (Autobiographical affidavits will be required of such persons through the applicant if, in the Commissioner's judgment, such information is needed in order to satisfy CIC §717.)

CALIFORNIA CERTIFICATE OF AUTHORITY APPLICATION

6. Is applicant owned, operated or controlled, directly or indirectly, by any other state, or province, district, territory or nation or any governmental subdivision or agency?
Yes ☐ No ☐ If yes, please explain

7. ☐ Has the applicant's certificate of authority to do business in any state been suspended or revoked within the last ten years? Yes ☐ No ☐. Has its application for admission to any state been denied within the last ten years? Yes ☐ No ☐. If so, particulars are furnished in writing attached and made a part hereof.
8. ☐ Has any person who is presently an officer or director of Applicant, been convicted on, or pleaded guilty or nolo contendere to, an indictment or information in any jurisdiction charging a felony for theft or larceny, mail fraud or of violating any corporate securities statute or any insurance statute? Yes ☐ No ☐.
9. Is applicant presently engaged in a controversy with any state or federal regulatory agency?
Yes ☐ No ☐. If so, particulars are furnished in writing attached and made a part hereof.
10. Is applicant a plaintiff or defendant in any legal action other than one arising out of policy claims?
Yes ☐ No ☐. If so, a summary of each case and an estimate of company's probable liability, if any, is attached and made a part hereof.
11. Does the applicant purchase investment securities through any investment banking or brokerage house or firm from whom any of Applicant's officers, directors, trustees, investment committeemen or controlling stockholders receive a commission on such purchases?
Yes ☐ No ☐.
12. ☐ Is applicant presently licensed as an insurance agent or broker, whose association is concurrently operating as a bank, bank holding company, subsidiary or affiliate?
Yes ☐ No ☐.
13. ☐ Has the applicant, within 18 months last preceding the date of this affidavit, done any of the following:
- A. Made a loan to an entity owned or controlled directly or through a holding corporation by one or more of Applicant's officers, directors, trustees or investment committee members, or to any such person?
Yes ☐ No ☐.
- B. Sold or transferred any of its assets or property, real or personal, to any such entity or person?
Yes ☐ No ☐.

CALIFORNIA CERTIFICATE OF AUTHORITY APPLICATION

- C. Purchased securities, assets or property of any kind from an entity owned or controlled by one or more of Applicant's officers, directors, trustees, or any persons who have authority in the management of Applicant's funds (including a controlling stockholder)?
Yes __ No __.

If the answer to any of the last three questions (A, B or C) is affirmative, did any officer, director, trustee or any person who had authority in the management of Applicant's funds (including a controlling stockholder) receive any money or valuable thing for negotiating, procuring, recommending or aiding in such transaction? Yes __ No __.

14. __ Will company procure its business through the American agency system, through independent brokers, or through salaried representatives, or by a combination of these? _____.
15. __ Where and how will company recruit its producers? How and by whom will they be trained? What commission rates or salaries will be paid? (Provide answers on addendum and attach sample contract forms of all types used and remuneration schedule, including those for general agents, if any.)
16. __ If admitted, does applicant plan to transact a specialty line or lines in California? Yes __ No __ If so, what? _____

17. From what source or sources does it expect to obtain such business? (The answer to this and the next following question, if made separately, will be placed in a confidential file at applicant's request.)

18. __ If applicant does not have a specialty or captive business, what classes will it transact? Where and how will it obtain such business? What financial, corporate or other connections productive of insurance does the company have in this State? (Provide answer on separate addendum.)
19. __ How, where and by whom will applications be underwritten? _____

20. __ What advertising methods will be used? Will Applicant control producers' and general agents' advertising and, if so, how? _____

21. How and by whom will claims be processed and losses adjusted and paid? What relationship, if any, will such adjusters have to the applicant? How will claims adjusting personnel be compensated?

CALIFORNIA CERTIFICATE OF AUTHORITY APPLICATION

22. ___ If applicant is one of a group of companies, or if it uses facilities in common with another company or companies, are expenses divided between applicant and others? Yes __ No __. If they are prorated, what is the basis of proration? _____

23. ___ What total gross premium volume (net or return premiums) does Applicant expect to transact during the present calendar year? \$ _____

During the next calendar year after the application was (is) filed? \$ _____
During the second calendar year after the application was (is) filed?
\$ _____
24. ___ Does applicant have any reinsurance contracts which in effect provide that applicant will reimburse or indemnify the reinsurer for losses payable thereunder? Yes __ No __.
25. ___ Does applicant pay any representative given discretion as to the settlement or adjustment of claims under life or disability policies, whether in direct negotiation with the claimant or in supervision of the person negotiating, a compensation which is in any way contingent upon the amount of settlement of such claims? Yes __ No __.
26. ___ **(All Applicants, Other Than Life)** Does any salaried employee or officer, exclusive of a director, presently have in force a license as an insurance broker issued by the California Department of Insurance? If yes, please identify his/her license and position held with applicant. Yes No

All Life Applicants Must Respond to the Following:

27. ___ **(For Life Applicants Only)** Does applicant have outstanding unexercised stock options? If so, to whom and in what number of shares?
Yes __ No __. If options are outstanding for a number of shares greater than 10% of the number of shares presently issued and outstanding, a copy of the option form and of the plan pursuant to which they were granted are attached.
28. ___ **(For Life Applicants Only)** Are any of the applicant's policies being sold in connection with a mutual fund? Yes __ No __. Is sale of life insurance related or tied to a sale of mutual fund or investment in securities?
Yes __ No __. If so, supply details including all sales literature which refers to the insurance and mutual fund or other investment plan connection.
29. **(For Life Applicants Only)** Has applicant at any time in any jurisdiction while operating under its present management, or at any time within the last six years irrespective of changes in management, taught or permitted its agents to sell insurance by using any of the following devices or representations resembling any of the following: "centers of influence", and "advisory board", a charter or founder's policy, a profit-sharing plan; that only a limited number of a certain policy will be sold in any given geographical area; that "profits" will

CALIFORNIA CERTIFICATE OF AUTHORITY APPLICATION

accrue or be derived from mortality savings, lapses and surrenders, investment earnings, savings in administration; a printed list of several large American or Canadian insurers showing the dollar amounts of "savings", "profits" or "earnings" they have made in such categories. Yes __ No __.

If the answer is affirmative, supply a complete set of all sales material including the sales manual, all company instructional material, brochures, illustrations, diagrams, literature, "canned" sales talks, copies of the policies which are no longer in use, list of states where such methods were used and the date (by year) when they were used, the approximate amount of insurance originally written in each state on each policy form thusly sold, the amount currently in force, and the lapse ratio on each form year by year and cumulatively in gross to the present date.

30. ____ **(For Life Applicants Only)** Does the company pay, directly or indirectly, any commission to any officer, director, actuary, medical director or any other physician charged with the duty of examining risks or applications?

Witness my hand this ____ day of _____, 20____, at _____.

(Affiant)

(Title)

(Insurer)

State of _____)
County of _____)

On _____ before me, _____, personally appeared _____
_____, personally known to me (or proved to me on the basis of satisfactory
evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she
executed the same in his/her authorized capacity, and that by his/her signature on the instrument the Insurer upon
behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____
(Signature of Notary Public)

[NOTARIAL SEAL]